

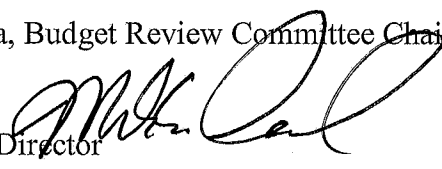


THE CITY OF SAN DIEGO

MEMORANDUM

DATE: May 15, 2012

TO: Honorable Councilmember Todd Gloria, Budget Review Committee Chair and
Budget Review Committee Members

FROM: Mark Leonard, Financial Management Director 

SUBJECT: Fiscal Year 2013 Budget Review Committee Referral Response

This memorandum is in response to questions asked at the Review Committee Meeting held on May 9, 2012. The responses are listed by department in the order that they were reviewed by the Committee.

ARTS AND CULTURE

COUNCIL DISTRICT 1

QUESTION:

What is the estimated number of Arts and Culture programs that may be impacted by the CERF II litigation (City's Pattern and Practice of Permitting Special Events) and the costs to those groups?

RESPONSE:

The Commission for Arts and Culture has recommended funding in the Fiscal Year 2013 Budget for a total of 115 organizations and events. The following 18 special events recommended by the Commission for Arts and Culture for funding have historically required a special event permit:

Organization	Event
Centre City Development Corporation	15th Annual Sheila R Hardin San Diego Multicultural Festival
College Area Economic Development Corporation	Boulevard BOO! Parade and Carnival
Hillcrest Business Improvement Association Incorporated	Hillcrest CityFest 2012

Honorable Councilmember Todd Gloria, Budget Review Committee Chair and
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May 15, 2012

Organization	Event
Historic Old Town Community Foundation, The	Fiesta Cinco de Mayo
Kiwanis International K08275 Tierrasanta San Diego	Oktoberfest
Linda Vista Multi-Cultural Fair, Inc.	Linda Vista Multi-Cultural Fair and Parade
Little Italy Association	Little Italy Festa
North Park Organization of Businesses, Inc.	North Park Festival of the Arts
Ocean Beach Merchants Association	Ocean Beach Street Fair and Chili Cook-Off Festival
Pacific Beach Community Development Corporation	Pacific Beachfest
PASACAT	Parol (Philippine Lantern) Festival
Point Loma Summer Concerts	Point Loma Summer Concert Series
Rancho de los Penasquitos Town Council, Inc.	Fiesta de los Penasquitos
Rolando Community Council, Inc.	Rolando Street Fair
San Diego Earth Day	San Diego Earth Day
Springfest Inc.	SpringFest
San Diego Chinese Center	Chinese New Year Food and Cultural Fair
Kalusugan Community Services	Filipino American Arts and Culture Festival

The City of San Diego is currently revising the Special Events Ordinance to address the CERF II litigation. The Development Services Department, Environmental Analysis Section (EAS) cannot at this time determine the cost to special events for future environmental review. The department has indicated that the range may be from \$500 to several thousand dollars depending upon the scope of the event and type of environmental review that will be required.

COUNCIL DISTRICT 3

QUESTION:

When will the City Council see recommendations for the Economic Development and Tourism Support (EDTS) funding?

RESPONSE:

The recommendations for the EDTS funding were provided to the City Council in Report Number 12-067, which is included as **Attachment 1**.

COUNCIL DISTRICT 4

QUESTION:

If an additional five percent of funding is made available for Arts and Culture programs in Fiscal Year 2013, why are five additional Organizational Support (OSP) organizations recommended for funding versus one additional Creative Community San Diego (CCSD) organization?

RESPONSE:

If the current Arts and Culture program allocation is increased by five percent, the Arts and Culture Commission recommends adding to the recommended funding list applicants with a three-minus ranking or better in both OSP and CCSD. There is one organization in CCSD and five organizations in OSP with a rank of three-minus.

CITY AUDITOR

COUNCIL DISTRICT 8

QUESTION:

Please provide more information about the training needed by the City Auditor and what is involved in the training.

RESPONSE:

Per the City Auditor's office, funds are being requested to reestablish the portion of their training budget that was reduced in Fiscal Year 2012. Government Auditing Standards require each auditor to receive at least 80 hours of continuing professional education (CPE) every two years, with no less than 20 hours in any given year. The department's CPE training schedule runs concurrent with the City's fiscal year calendar, and the new two-year CPE cycle begins in Fiscal Year 2013.

The City Auditor's office was able to manage the training cuts in Fiscal Year 2012 in large part because a majority of their staff had completed enough training in Fiscal Year 2011 and by diverting other budget resources towards training. The restoration of the training budget will allow the City Auditor's office to maintain compliance with educational requirements under Government Auditing Standards and to provide staff with the skills and training needed to continue producing audits with significant results.

CITY ATTORNEY

COUNCIL DISTRICT 3

QUESTION:

How does the City of San Diego stack up against other Cities in terms of size of the City Attorney's office?

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RESPONSE:

A comparison to other City Attorney's Offices would have to be completed as a study. The City Attorney's office states that the City Council will be informed of the results once that data is available.

QUESTION:

Please provide a list of the outstanding litigation by age.

RESPONSE:

The information is currently being compiled by the City Attorney's office, and the complete response is forthcoming.

CITY CLERK

COUNCIL DISTRICT 3

QUESTION:

What are the City Clerk's responsibilities in providing services to the former redevelopment agencies in the City's capacity as the designated Successor Agency?

RESPONSE:

Per the City Attorney's Office, their office will provide this response directly to the Council Offices.

COUNCIL DISTRICT 8

QUESTION:

Could the administrative cost allowance for the Successor Agency be used to cover the costs of the services provided by the City Clerk?

RESPONSE:

Per the City Attorney's Office, their office will provide this response directly to the Council Offices.

Mark Leonard/mc

Attachment:

1. FY 2013 Economic Development and Tourism Support Program, Report No.12-067

cc: Honorable Mayor Jerry Sanders
Honorable Council Members
Jan I. Goldsmith, City Attorney

Honorable Councilmember Todd Gloria, Budget Review Committee Chair and
Budget Review Committee Members
May 15, 2012

Eduardo Luna, City Auditor
Jay M. Goldstone, Chief Operating Officer
Wally Hill, Assistant Chief Operating Officer
Julie Dubick, Chief of Staff
Almis Udrys, Deputy Director of IRD & Fiscal Policy
Andrea Tevlin, Independent Budget Analyst
Amy Gowan, Director of Council Affairs
Victoria Hamilton, Executive Director of the Commission for Arts and Culture
Elizabeth Maland, City Clerk
Financial Management Staff



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: May 10, 2012 REPORT NO: 12-067
ATTENTION: Council President and City Council
SUBJECT: Fiscal Year 2013 Economic Development and Tourism Support Program

REQUESTED ACTION:

The Mayor's proposed FY2013 Budget includes \$540,000 for Special Promotional Programs and based on the process of the Review Panel to identify recommended recipients, the Economic Development Department offers for deliberation during the FY2013 Budget process this allocation of \$540,000 to qualified non-profit Economic Development and Tourism Support (EDTS) applicant organizations.

STAFF RECOMMENDATION:

Staff recommends supporting the EDTS Panel's ranking recommendations for the EDTS program in the Fiscal Year 2013 Special Promotional Program's budget for \$540,000.

SUMMARY:

The EDTS program was established by the City Council in 1998 to promote the City of San Diego as a visitor destination and to advance the City's economy by increasing tourism and attracting industry. The EDTS program enables non-profit organizations to assist the City in achieving one or more of the following goals:

- 1) Attract and/or develop business and economic opportunities within the City
- 2) Develop employment opportunities for City residents
- 3) Promote the City of San Diego as a tourist destination

Process Overview

EDTS funding applications were received on the specified deadline of January 30, 2012. Sixteen (16) qualified organizations requested \$812,423 in EDTS funding. The Proposed FY 2013 Budget allots \$540,000 for the EDTS program.

Review Panel

The Review Panel plays a vital part in the review process. Each year, volunteer panelists from throughout the San Diego community contribute their time and knowledge to help make the distribution of EDTS program funds a fair and open process. The EDTS Review Panel has developed the FY 2013 ranking recommendations for the EDTS program. The role of the Panel is to review and rank the applications to be used for fund allocation recommendations to the

Economic Development Department. The Economic Development Department has developed the funding recommendations for the allocation of Fiscal Year 2011 EDTS funds as part of the budget approval process.

Review Panel Recommendations

On April 16, 2012 the Panel held a public meeting to review, discuss and rank each application. After reviewing each application, Panel members assigned the applicant organization a ranking between "4" (highest) and "1" (lowest) pursuant to the formula based funding allocation methodology. By averaging the individual ranking of each Panel member, a composite ranking was established for each organization. The Panel assigned higher rankings to organizations with applications that met the goals and objectives of the EDTS program. Additionally as part of the process, each organization was provided an opportunity to appeal their ranking based on the narrow criteria that the applicant felt the Panel's assessment was based on mistreatment of factual information as contained in the application, such that it negatively influenced the Panel's evaluation of the applicant's request for funding. The appeal hearing was set on April 26, 2012 with only one applicant organization submitting an appeal. The attached recommendations represent a considerable voluntary effort by members of the Review Panel.

FISCAL CONSIDERATIONS:


The Fiscal Year 2013 final funding recommendations for the EDTS program are listed in the EDTS Funding Recommendations Spreadsheet presented as Attachment 2.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

During the month of December 2011, applications were sent to all interested organizations. The application was also posted on the City's website. A technical assistance workshop was held on January 17, 2012 to assist interested organizations with the application process. On April 16, 2012 a public meeting was held to review, discuss and rank all applications. On April 26, 2012 a public meeting was held for an appeal hearing.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Key stakeholders include the applicant non-profit organizations, City residents and businesses that benefit from the EDTS program objectives to attract business to the City, increase/retain employment opportunities and promote the City as a tourist destination.


Beth Murray
Deputy Director, Economic Development


Wally Hill
Assistant Chief Operating Officer

Attachments: 1. Funding Methodology
2. EDTS Funding Recommendations for FY 2013 Special Promotional Program

ATTACHMENT 1

FUNDING METHODOLOGY

1. Apply a maximum funding level of 10% of net available funds for a single organization.
2. Apply a maximum funding level of 25% of AOI.
3. Use the following review criteria in evaluating funding proposals:
 - Applicant qualifications, including history and existing programs and services.
 - Organizational efforts/accomplishments in the areas of economic development, and/or employment development, and/or tourist development.
 - Measurable benefits to City's residents and visitors
 - Measurable return on City's funding
 - Demonstrated need and the impact of funding
 - Professionalism of the applicant organization
 - Marketing and outreach programs
4. The following rank factors were used for funding levels:

4	90%
4-	80%
3+	60%
3	47%
3-	0%
2+	0%
2	0%
2-	0%
1	0%

NOTE: Below 3- is not recommended for funding.

ECONOMIC DEVELOPMENT & TOURISM SUPPORT PROGRAM RANKING AND FUNDING RECOMMENDATIONS FOR FY 2013

Total Available funding = \$ 540,000

Net Available Funds \$540,000
Recommended Funding \$540,000
\$0

Rank Distribution:

4	90%
4-	80%
3+	60%
3	47%
3-	0%
2+	0%
2	0%
2-	0%
1	0%

Funding assumptions: Funding only to 3 and above

Funding Guidelines: Maximum funding cannot exceed - 10% of the available funds (\$54,000) \$54,000
Annual Operating Income (AOI) 25%

ORGANIZATION	FY2013 RANK	AOI	% AOI	Original Request	Request Based on AOI	Adjusted Based on Cap	Recommended Funding
City Heights Community Development Corp.	4	\$2,351,482	11.0%	\$54,000	\$258,663	\$54,000.00	\$48,690
Hostelling International	4	\$1,525,729	12.0%	\$54,000	\$183,087	\$54,000.00	\$48,690
Old Town San Diego Chamber of Commerce	4	\$192,812	19.0%	\$36,634	\$36,634	\$36,634.00	\$33,032
Otay Mesa Chamber of Commerce	4	\$438,813	16.0%	\$65,000	\$70,210	\$54,000.00	\$48,690
South County Economic Development Council	4	\$406,402	17.0%	\$69,088	\$69,088	\$54,000.00	\$48,690
Traveler's Aid Society of San Diego	4	\$471,934	15.0%	\$60,000	\$70,790	\$54,000.00	\$48,690
Adams Avenue Business Association	4-	\$625,615	15.0%	\$54,000	\$93,842	\$54,000.00	\$43,200
BID Council	4-	\$403,094	17.0%	\$50,000	\$68,526	\$50,000.00	\$40,000
Greater San Diego Business Association	4-	\$468,324	16.0%	\$48,800	\$74,932	\$48,800.00	\$39,040
San Diego CONVIS	4-	\$24,303,347	9.5%	\$52,000	\$2,308,818	\$52,000.00	\$41,600
San Diego East Visitors Bureau	4-	\$163,514	20.0%	\$52,000	\$32,703	\$32,703.00	\$26,162
Asian Business Association San Diego	3+	\$199,584	19.0%	\$37,920	\$37,921	\$37,920.00	\$22,752
Japan Society of San Diego and Tijuana	3	\$364,196	17.0%	\$54,000	\$61,913	\$54,000.00	\$25,382
San Diego Diplomacy Council	3	\$305,776	18.0%	\$54,000	\$55,040	\$54,000.00	\$25,382
International Rescue Committee	3-	\$5,672,076	9.5%	\$51,501	\$538,847	\$51,501.00	\$0
Mission Hills BID	3-	\$92,804	21.0%	\$19,480	\$19,489	\$19,480.00	\$0
		\$37,985,502		\$812,423	\$3,980,506	\$761,038	\$540,000